
AGENCY OVERVIEW**770 Water Commission**

Date: 01/13/2011**Time:** 10:42:30**Statutory Authority**

North Dakota Century Code Chapters 61-01 through 61-32.

Agency Description

The State Water Commission consists of the Governor as chairman, the Commissioner of Agriculture as an ex-officio member, and seven members appointed by the Governor. The Commission appoints a secretary/state engineer, to employ staff to carry out the goals of the Commission. The agency budget is comprised of two major program areas: administrative and support services, and water and atmospheric resources.

The Commission has three primary functions: regulation, development, and education. Regulatory functions include water rights, drainage, floodplain management, sovereign land management, and dam safety. Water development functions include large state projects, such as the southwest pipeline project, the northwest area water supply, and Devils Lake flood control; and several types of medium and small projects, including dams and drains. The Commission promotes water development by providing cost-share assistance for many local projects such as dams, dikes, drains, and water supplies and by conducting studies of potential projects. The third primary function of the Commission involves educating the public regarding the nature and occurrence of the state's water resources.

Agency Mission Statement

The mission of the State Water Commission and the State Engineer is to enhance the quality of life and strengthen the economy of North Dakota by managing the water resources of the State for the benefit of its people.

Agency Performance Measures

- Develop Missouri River water in ways that will secure North Dakota's share of Missouri River flows for our current and future needs.
- Implement plans for the distribution of Missouri River water through regional water supply systems such as the Southwest Pipeline project, the Northwest Area Water Supply project, and the Red River Valley Water Supply project.
- Manage and develop North Dakota's water resources to facilitate economic development and improve quality of life for current and future generations.
- Promote and provide water supplies needed for the expansion and diversification of North Dakota's agricultural industry.
- Complete detailed studies and research that more precisely define the nature and occurrence of water to optimize its conservation and development throughout the state.
- Maintain a water management plan to promote efficiency in meeting North Dakota's future water development and funding needs.
- Continue to implement the state's three-pronged approach to solving the Devils Lake area's flooding problems.
- Develop policies and initiatives that will stimulate progress toward developing flood control measures wherever feasible.
- Pursue cooperative efforts with neighboring states and provinces to plan for beneficial water management of shared water resources.
- Cooperate with agencies that have regulatory authority over North Dakota's waters to protect and enhance the quality of North Dakota's water resources and related ecosystems.
- Enforce weather modification standards, conduct research, and supervise operational cloud seeding programs for hail suppression and rainfall enhancement.
- Provide water education for North Dakota's teachers, youth, and general public.
- Promote expanded development of North Dakota's water-based recreation resources.
- Collect water resource data for the purpose of identifying the location, condition, and temporal changes of the water resources of the state.
- Disseminate water resource information to the general public, businesses, and government agencies.
- Manage the water resource database so that it is accessible to interested parties.
- Manage state water resources and sovereign lands within the framework of North Dakota's Century and Administrative Codes.

Major Accomplishments

1. Provided water service through the Northwest Area Water Supply to Kenmare, Burlington, West River Water District near Minot, and Upper Souris Water District near Donnybrook from an interim supply from Minot's water treatment plant.
2. Worked jointly with All Seasons Water District on a project serving Upham by upsizing the water lines between Bottineau and Gardena.

AGENCY OVERVIEW**770 Water Commission**

Date: 01/13/2011**Time:** 10:42:30

3. Provided several filings in federal court and the state was allowed to proceed with design and construction on all NAWWS facilities north of Minot.
4. Continued to implement the state's three-pronged approach to solving the Devils Lake region's flooding problems, including: infrastructure protection, upper-basin water management, and operation of the state's emergency outlet.
5. Expanded the state's emergency Devils Lake outlet. This project was completed in about six months - increasing its capacity from 100 cubic feet per second (cfs) to 250 cfs.
6. Completed construction of the Medora-Beach rural distribution contracts and the Fairfield reservoir.
7. Procured membrane treatment equipment and completed final design of the building for the Oliver, Mercer, North Dunn (OMND) water treatment plant.
8. Began construction on the first segment of the OMND main transmission line and designed and bid the second segment.
9. Established a new Silver Jackets program to identify comprehensive, long-term flood solutions through a collaborative, interagency effort between state and federal authorities.
10. Conducted extensive ground and surface water evaluations in the northwest portion of the state to address water needs of the oil development industry.
11. Provided funding assistance through the state's water supply program for McKenzie County Regional Water System, the city of Parshall, Traill Rural Water District Phase II, and water treatment at Valley city.
12. Provided funding assistance through the Municipal, Rural, and Industrial water supply program for projects involving the Northwest Area Water Supply, South Central Regional Water District (Emmons County), and Southwest Pipeline Project (Oliver, Mercer, North Dunn).
13. Contributed toward the completion of large-scale community and other numerous rural flood control projects in the Red River Basin.
14. Began development of a 2011-13 Water Development Report to serve as an update to the 2009 State Water Management Plan.
15. Successfully operated weather modification programs in six counties in western North Dakota.
16. Continued implementation of North Dakota's Sovereign Land Management Plan.
17. Provided support toward the advancement of the Fargo-Moorhead Metro Area flood control project environmental impact statement.
18. Continued to provide technical assistance relating to legal actions affecting the advancement of the Northwest Area Water Supply.
19. Continued to promote economic development through industrial and agricultural incentives and water supply initiatives.
20. Continued to provide water-related educational programs throughout the state through the Water Education for Teachers (WET) program, credit institutes, and support of local water festivals.

Future Critical Issues

- The agency seeks to maintain the funding provided through the Water Development Trust Fund and the Resources Trust Fund to advance critical water infrastructure across the state.
- Positive resolution of the lawsuit pertaining to the Northwest Area Water Supply is critical to that project's timely advancement.
- Missouri River water development must be adamantly pursued to secure North Dakota's share of water flowing through the state.
- To operate and maintain the state's emergency Devils Lake Outlet in an environmentally sound manner.
- As Devils Lake continues to approach its natural spill elevation, decisions regarding the protection of people and property downstream will need to be established.
- Technical and funding assistance toward the advancement of a large-scale flood control project for the greater Fargo-Moorhead metro area is critical to the protection of lives and the long-term economic well being of that region.
- Increasing use of public lands and private encroachment in and around North Dakota's navigable waters will make sovereign land management increasingly difficult.
- Downstream interests continue to carefully monitor and review water projects in North Dakota. This greatly emphasizes the need to maintain a liaison with these interests, especially regarding Devils Lake, and Missouri and Red River issues.
- Providing growing populations of eastern North Dakota with a more reliable, quality water supply continues to be a challenge.
- As demand for water increases, the ability to provide timely evaluations of water permit applications will become increasingly difficult.
- Following the floods of 2009, a growing need has emerged to assist smaller communities with the advancement of flood-protection studies and projects.

REQUEST SUMMARY

770 Water Commission

Biennium: 2011-2013

Bill#: SB2020

Date: 01/13/2011

Time: 10:42:30

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
By Major Program					
Administrative and Support Services	2,420,228	3,024,789	103,641	3,128,430	(200,000)
Water and Atmospheric Resources	86,165,207	322,919,688	124,616,662	447,536,350	7,424,271
Total Major Program	88,585,435	325,944,477	124,720,303	450,664,780	7,224,271
By Line Item					
Grants - Local Cost Share	0	2,526,445	(2,026,445)	500,000	0
Beaver Bay Feasibility Study	0	342,000	(342,000)	0	0
Administrative and Support Services	2,420,228	3,024,789	103,641	3,128,430	(200,000)
Water and Atmospheric Resources	86,165,207	308,051,243	138,985,107	447,036,350	152,498
Federal Stimulus Funds 2009	0	12,000,000	(12,000,000)	0	7,271,773
Total Line Items	88,585,435	325,944,477	124,720,303	450,664,780	7,224,271
By Funding Source					
General Fund	11,958,986	14,124,224	225,902	14,350,126	(47,502)
Federal Funds	23,750,271	67,070,358	(20,397,016)	46,673,342	7,271,773
Special Funds	52,876,178	244,749,895	144,891,417	389,641,312	0
Total Funding Source	88,585,435	325,944,477	124,720,303	450,664,780	7,224,271
Total FTE	84.00	86.00	0.00	86.00	2.00

REQUEST DETAIL

770 Water Commission

Bill#: SB2020

Date: 01/13/2011

Biennium: 2011-2013

Time: 10:42:30

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Grants - Local Cost Share					
Grants, Benefits & Claims	0	2,526,445	(2,026,445)	500,000	0
Total	0	2,526,445	(2,026,445)	500,000	0
Grants - Local Cost Share					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	2,526,445	(2,026,445)	500,000	0
Total	0	2,526,445	(2,026,445)	500,000	0
Beaver Bay Feasibility Study					
Grants, Benefits & Claims	0	342,000	(342,000)	0	0
Total	0	342,000	(342,000)	0	0
Beaver Bay Feasibility Study					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	342,000	(342,000)	0	0
Total	0	342,000	(342,000)	0	0
Administrative and Support Services					
Salaries - Permanent	1,153,476	1,346,998	12,890	1,359,888	0
Temporary Salaries	353	14,693	(2,693)	12,000	0
Fringe Benefits	369,389	450,366	2,601	452,967	0
Travel	55,912	68,745	12,709	81,454	0
Supplies - IT Software	71,071	152,500	16,446	168,946	0
Supply/Material-Professional	5,804	5,500	0	5,500	0
Bldg, Ground, Maintenance	480	500	0	500	0
Miscellaneous Supplies	798	4,500	0	4,500	0
Office Supplies	21,492	19,500	0	19,500	0
Postage	31,540	27,500	0	27,500	0
Printing	13,231	10,000	0	10,000	0
IT Equip Under \$5,000	130,948	97,356	0	97,356	0
Other Equip Under \$5,000	385	1,500	0	1,500	0
Office Equip & Furn Supplies	5,352	7,500	0	7,500	0
Utilities	29,662	35,000	10,744	45,744	0
Insurance	37,613	48,500	0	48,500	0
Rentals/Leases-Equip & Other	8,257	2,500	0	2,500	0
Rentals/Leases - Bldg/Land	36,612	40,000	16,000	56,000	0

REQUEST DETAIL

770 Water Commission

Bill#: SB2020

Date: 01/13/2011

Biennium: 2011-2013

Time: 10:42:30

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Repairs	10,910	15,500	0	15,500	0
IT - Data Processing	176,818	167,688	34,944	202,632	0
IT - Communications	76,088	88,443	0	88,443	0
IT Contractual Svcs and Rprs	26,302	15,000	0	15,000	0
Professional Development	106,062	110,000	0	110,000	0
Operating Fees and Services	17,742	25,000	0	25,000	0
Fees - Professional Services	8,347	25,000	0	25,000	0
IT Equip/Sftware Over \$5000	25,584	45,000	0	45,000	0
Transfers Out	0	200,000	0	200,000	(200,000)
Total	2,420,228	3,024,789	103,641	3,128,430	(200,000)

Administrative and Support Services

General Fund	1,886,806	2,885,789	103,641	2,989,430	(200,000)
Federal Funds	178,609	130,000	0	130,000	0
Special Funds	354,813	9,000	0	9,000	0
Total	2,420,228	3,024,789	103,641	3,128,430	(200,000)

Water and Atmospheric Resources

Salaries - Permanent	6,860,392	8,255,991	210,559	8,466,550	292,800
Temporary Salaries	212,342	303,140	(10,578)	292,562	0
Overtime	156,287	131,870	36,322	168,192	0
Fringe Benefits	2,305,072	2,962,944	44,652	3,007,596	90,202
Travel	706,994	991,811	9,958	1,001,769	0
Supplies - IT Software	6,997	1,000	0	1,000	0
Supply/Material-Professional	234,495	531,315	0	531,315	0
Food and Clothing	1,632	1,800	0	1,800	0
Bldg, Ground, Maintenance	128,982	110,719	0	110,719	0
Miscellaneous Supplies	36,295	41,100	0	41,100	0
Office Supplies	5,189	17,200	0	17,200	0
Postage	5,908	13,200	0	13,200	0
Printing	14,809	15,780	0	15,780	0
IT Equip Under \$5,000	24,378	10,000	0	10,000	0
Other Equip Under \$5,000	25,423	38,000	0	38,000	0
Office Equip & Furn Supplies	31,208	38,400	0	38,400	0
Utilities	168,303	1,446,194	4,519,000	5,965,194	0
Insurance	840	22,350	0	22,350	0
Rentals/Leases-Equip & Other	10,561	51,700	0	51,700	0
Rentals/Leases - Bldg/Land	16,053	41,700	0	41,700	0
Repairs	78,730	204,520	0	204,520	0
IT - Communications	25,775	21,042	0	21,042	0

REQUEST DETAIL

770 Water Commission

Bill#: SB2020

Date: 01/13/2011

Biennium: 2011-2013

Time: 10:42:30

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Professional Development	85,623	91,643	0	91,643	0
Operating Fees and Services	256,197	1,368,330	0	1,368,330	0
Fees - Professional Services	9,006,115	9,066,170	3,927,021	12,993,191	0
Medical, Dental and Optical	0	1,000	0	1,000	0
Other Capital Payments	44,230,994	95,100,944	3,220,861	98,321,805	0
Equipment Over \$5000	420,049	50,198	(198)	50,000	0
IT Equip/Sftware Over \$5000	9,000	0	0	0	0
Grants, Benefits & Claims	20,813,136	187,032,247	127,026,445	314,058,692	(230,504)
Transfers Out	287,428	88,935	1,065	90,000	0
Total	86,165,207	308,051,243	138,985,107	447,036,350	152,498
Water and Atmospheric Resources					
General Fund	10,072,180	11,238,435	122,261	11,360,696	152,498
Federal Funds	23,571,662	54,940,358	(8,397,016)	46,543,342	0
Special Funds	52,521,365	241,872,450	147,259,862	389,132,312	0
Total	86,165,207	308,051,243	138,985,107	447,036,350	152,498
Federal Stimulus Funds 2009					
Other Capital Payments	0	12,000,000	(12,000,000)	0	7,271,773
Total	0	12,000,000	(12,000,000)	0	7,271,773
Federal Stimulus Funds 2009					
General Fund	0	0	0	0	0
Federal Funds	0	12,000,000	(12,000,000)	0	7,271,773
Special Funds	0	0	0	0	0
Total	0	12,000,000	(12,000,000)	0	7,271,773
Funding Sources					
General Fund	11,958,986	14,124,224	225,902	14,350,126	(47,502)
Federal Funds	23,750,271	67,070,358	(20,397,016)	46,673,342	7,271,773
Special Funds	52,876,178	244,749,895	144,891,417	389,641,312	0
Total Funding Sources	88,585,435	325,944,477	124,720,303	450,664,780	7,224,271

CHANGE PACKAGE SUMMARY

770 Water Commission

Biennium: 2011-2013

Bill#: SB2020

Date: 01/13/2011

Time: 10:42:30

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<u>Base Budget Changes</u>						
One Time Budget Changes						
A-E 6 Remove Prior Biennium ARRA Stimulus		0.00	0	(12,000,000)	0	(12,000,000)
Total One Time Budget Changes		0.00	0	(12,000,000)	0	(12,000,000)
Ongoing Budget Changes						
A-A 1 Operating Expenses		0.00	175,283	0	8,371,539	8,546,822
A-A 5 Capital Payments		0.00	85,000	0	98,331,805	98,416,805
A-A 8 Grant Expenditures		0.00	0	(8,419,081)	133,078,146	124,659,065
A-F 4 Remove Capital		0.00	(95,198)	0	(95,100,944)	(95,196,142)
Base Payroll Change		0.00	60,817	22,065	210,871	293,753
Total Ongoing Budget Changes		0.00	225,902	(8,397,016)	144,891,417	136,720,303
Total Base Budget Changes		0.00	225,902	(20,397,016)	144,891,417	124,720,303
<u>Optional Budget Changes</u>						
One Time Optional Changes						
A-D 7 ARRA Stimulus Funding	3	0.00	0	7,271,773	0	7,271,773
Total One Time Optional Changes		0.00	0	7,271,773	0	7,271,773
Ongoing Optional Changes						
A-C 2 New Development Position-Director	1	1.00	219,614	0	0	219,614
A-C 3 New Development Position - Program Admin	2	1.00	163,388	0	0	163,388
Total Ongoing Optional Changes		2.00	383,002	0	0	383,002
Total Optional Budget Changes		2.00	383,002	7,271,773	0	7,654,775
<u>Optional Savings Changes</u>						
A-G 9 Optional Savings	4	0.00	(430,504)	0	0	(430,504)
Total Optional Savings Changes		0.00	(430,504)	0	0	(430,504)

BUDGET CHANGES NARRATIVE**770 Water Commission****Bill#: SB2020****Date:** 01/13/2011**Time:** 10:42:30

Change Group: A	Change Type: A	Change No: 1	Priority:
------------------------	-----------------------	---------------------	------------------

Operating Expenses

Operating expenses increases in Appn line 75 include:

\$12,709 for travel primarily due to anticipated travel for the State Engineer. With the contentiousness of the Northwest Area Water Supply project and the Devil's Lake outlet we are being required to appear in Washington D.C. much more frequently than in the past. In addition to that local water issues have also required the State Engineer to travel to those communities more frequently.

\$51,390 in information technology costs as a result of applying Information Technology Departments revised rates.

\$10,744 in utilities for increases in the maintenance shop heating and cooling costs.

\$16,000 in rent due to OMB's increased rental rates for our main office.

Appn line 76 increases include:

\$9,958 in travel.

\$4,519,000 in utilities due to increased capacity of the Devils Lake outlet. When running at full capacity electricity costs can approach \$400,000 a month.

\$3,927,021 in professional services. With the increase in project funding comes an increase in the consulting engineer costs.

Change Group: A	Change Type: A	Change No: 5	Priority:
------------------------	-----------------------	---------------------	------------------

Capital Payments

Capital payments included in this budget total \$98,321,805. \$81,450,055 is budgeted for construction costs for the Southwest Pipeline and the Northwest Area Water Supply project. \$16,871,750 is for the Water Development bond payments.

Change Group: A	Change Type: A	Change No: 8	Priority:
------------------------	-----------------------	---------------------	------------------

Grant Expenditures

Grants increases total \$127,026,445, all a result of an increase in the projected revenues of the Resources Trust Fund.

Change Group: A	Change Type: C	Change No: 2	Priority: 1
------------------------	-----------------------	---------------------	--------------------

New Development Position-Director

BUDGET CHANGES NARRATIVE**770 Water Commission****Bill#: SB2020****Date:** 01/13/2011**Time:** 10:42:30

Previously the Assistant State Engineer served as both the Assistant State Engineer and the Water Development Division Director. The State Water Commission would like to fill the existing Assistant State Engineer and request an additional position for the

Water Development Division Director. The agency has experienced a substantial increase in both funding and workload. With the many critical statewide water issues occurring in our State we feel the additional position would benefit the Agency and the State.

We anticipate this position to be a Grade 16 with a salary near the midpoint of \$7100/month. (Water Resource Engineer Manager II, class code 2054).

Change Group: A	Change Type: C	Change No: 3	Priority: 2
------------------------	-----------------------	---------------------	--------------------

New Development Position - Program Admin

This position is for coordinator of the Silver Jacket program. This is a program that will enhance intergovernmental partnerships with the goal of finding solutions to North Dakota's flood hazards.

The agency is currently using a temporary position to accomplish this function. We anticipate this position to be a Grade 13 with a salary near the midpoint of \$5100/month. (Water Resource Program Administrator II, class code 6053)

Change Group: A	Change Type: D	Change No: 7	Priority: 3
------------------------	-----------------------	---------------------	--------------------

ARRA Stimulus Funding

The State Water Commission was awarded \$12,000,000 in 2009-11 Biennium for the Southwest Pipeline Project's Oliver, Mercer, North Dunn Water Treatment Plant under the American Recovery and Reinvestment Act. This project will not be complete in the 2009-11 Biennium. The Optional Budget On-Time request is to carry over the remainder of the funds awarded \$7,271,773 to the 2011-13 Biennium.

Change Group: A	Change Type: E	Change No: 6	Priority:
------------------------	-----------------------	---------------------	------------------

Remove Prior Biennium ARRA Stimulus

Remove one-time award under American Recovery and Reinvestment Act.

Change Group: A	Change Type: F	Change No: 4	Priority:
------------------------	-----------------------	---------------------	------------------

Remove Capital

This change package is the mandatory removal of all 2009-2011 capital costs. This includes \$95,100,944 of other capital payments and \$95,198 of equipment.

Change Group: A	Change Type: G	Change No: 9	Priority: 4
------------------------	-----------------------	---------------------	--------------------

Optional Savings

BUDGET CHANGES NARRATIVE**770 Water Commission****Bill#: SB2020****Date:** 01/13/2011**Time:** 10:42:30

The \$200,000 reduction from the agency's transfer out line is funding that was put in our budget by the Legislature to fund additional enforcement on the Missouri River. This funding is passed through to the Game and Fish Department. Elimination of this funding will require the Game and Fish Department to reallocate their existing funding and will likely result in decreased monitoring and enforcement on the Missouri River.

The \$230,504 reduction from the agency's grants line item is funding allocated toward cost-sharing with counties participating in the North Dakota Cloud Modification Project, which provides aerial cloud seeding operations for rain enhancement and hail suppression. Participating counties provide two-thirds of the funding for operations, while the state provides one-third. Elimination of this funding would require the county share of funding to rise, or operations to be curtailed.

Change Group: R	Change Type: A	Change No: 2	Priority:
------------------------	-----------------------	---------------------	------------------

New Water Development Director

Authorizes 1.00 FTE and \$219,614 from the general fund for a Water Development Division director.

Change Group: R	Change Type: B	Change No: 1	Priority:
------------------------	-----------------------	---------------------	------------------

ARRA Carryover

Provides \$7.3 million in carryover federal ARRA authority for the southwest pipeline project.